

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE CLERK

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS PATELUNAS TO INTERROGATORY OF
THE ASSOCIATION FOR POSTAL COMMERCE
(POSTCOM/USPS-ST44-2)

The United States Postal Service hereby provides the response of witness Patelunas to the following interrogatory of the Association for Postal Commerce: POSTCOM/USPS-ST44-2, filed on July 28, 2000. Interrogatory POSTCOM/USPS-ST44-1 was redirected to the Postal Service.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

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August 14, 2000

**Response of United States Postal Service witness Patelunas
to Interrogatories of
the Association for Postal Commerce**

PostCom/USPS-ST44-1. You testify that:

The test year labor contract assumption for those bargaining units that do not have contracts has also been re-evaluated and has been changed to reflect a total change in wage rates equal to the estimated change in the Employment Cost Index.

USPS-ST-44, 3 lines 6-9. Witness Tayman used "(ECI minus 1) for bargaining units that do not have contracts affective in the test year." USPS-9, 19 line 8. Please explain why you believe your approach is superior to that of Mr. Tayman with citation to any authority on which you rely for that conclusion. Supply copies of any cited material that is not readily publicly available.

Response:

Redirected to the Postal Service.

**Response of United States Postal Service witness Patelunas
to Interrogatories of
the Association for Postal Commerce**

PostCom/USPS-ST44-2. Please refer to Exhibit USPS-44Z and witness O'Tormey's response to MPA/USPS-ST42-10 where he estimated that reducing bundle breakage could reduce Standard A costs by \$14 million. Please confirm that the Postal Service's revised roll forward includes a \$14 million reduction in Standard A costs to reflect reduced bundle breakage in the Test Year.

- (a) If confirmed, where in the Exhibit is this amount reflected?
- (b) If not confirmed, how much cost savings from reduced bundle breakage does the roll forward include for Standard A?

Response:

- a) Not confirmed.
- b) Please see USPS-LR-I-408, page 8, the column showing a distribution key of "1457." That column shows \$9.634 million savings for Standard A resulting from bundle breakage. This figure differs from the cited \$14 million because it does not include piggybacks. The difference between the \$9.634 million and \$14 million would be included in other cost reductions and in the PESSA redistribution in the rollforward.

DECLARATION

I, Richard Patelunas, declare under penalty of perjury that the foregoing answers to interrogatories are true and correct to the best of my knowledge, information, and belief.

A handwritten signature in cursive script, appearing to read "Richard Patelunas", written over a horizontal line.

Dated: 8/14/00

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in cursive script, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

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